



*Federal Bureau of Investigation
Phoenix, Arizona*



*United States Attorney's Office
District of Arizona*

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SCOTTSDALE MAN RECEIVES 96 MONTH SENTENCE FOR INVESTMENT FRAUD OF OVER \$28 MILLION

PHOENIX - Robert Alexander, 41, of Scottsdale, Ariz. was sentenced on Monday, November 13, 2006, to 96 months in prison by U.S. District Judge David G. Campbell in Phoenix, Arizona after having plead guilty earlier this year to one count of Wire Fraud and admitting to devising a scheme to defraud an investor by convincing him to invest \$350,000 in his company, R & S Marketing. Alexander admitted to not investing the money as promised and that the profits he returned to the investor were in reality simply a partial return on the investment. Robert Alexander was also ordered to pay over 9 million dollars in restitution to victims of his offense.

Robert F. Alexander was indicted in May 2005 on federal charges related to a fraudulent investment scheme during which individuals were solicited to invest in non-perishable goods destined for export overseas. Victims were led to believe that their investment would produce a high rate of return upon the purchase and re-sale of the non-perishable goods.

In reality, the defendants conducted a Ponzi Scheme, a scheme in which a portion of the returns were paid to initial investors from monies paid into the scheme by newer investors. The indictment alleged that the defendants transferred approximately \$28 million dollars between July 2000 and January 2005.

"Alexander promised rates of return on investments as high as 37 percent," stated U.S. Attorney for the District of Arizona Paul K. Charlton. "The best way to prevent this kind of fraud is for investors to stick with the maxim, 'If it sounds too good to be true, it is.' The second best way to prevent fraud, as it happened in this case, is to put the thief in prison for a long time. We're grateful to the FBI, IRS, and Scottsdale Police Department for the outstanding investigation that resulted in this successful prosecution."

Special Agent in Charge John Lewis, FBI Phoenix, stated "High Yield Programs or Roll Programs are typically nothing more than Ponzi Schemes. Such schemes have been the subject of Federal investigations for many years, but many new victims fall prey to these con games every year losing thousands of dollars. The FBI and IRS, our partner in this investigation, are pleased with the outcome of this sentencing for one who chose to live a lavish life style off the hard work of others."

The investigation preceding the indictment was primarily conducted by the FBI with assistance from the Criminal Investigation Division of the Internal Revenue Service; the Food and

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Drug Administration, Office of Criminal Investigations and the Scottsdale Police Department.

The prosecution is being handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

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